

## Message Text

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PAGE 01 CARACA 10820 171543Z

65

ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

SAM-01 OES-05 SP-02 SS-15 STR-04 TRSE-00 /104 W

----- 019369

R 162241Z OCT 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 556

UNCLAS CARACAS 10820

E.O. 11652: N/A

TAGS: ERNG, VE

SUBJ: OIL REVERSION-PRIVATE VENEZUELAN OIL CONCESSIONAIRE  
ACCEPTS INDEMNIZATION OFFER

1. S.A. PETROLERA LAS MERCEDES, A WHOLLY-OWNED VENEZUELAN OIL CONCESSIONAIRE, PUBLISHED A HALF-PAGE ADVERTISEMENT IN A CARACAS NEWSPAPER OCTOBER 16 ANNOUNCING ITS ACCEPTANCE OF THE GOV INDEMNIZATION OFFER FOR ASSETS TO BE NATIONALIZED DECEMBER 31. LAS MERCEDES PRESIDENT, FRANCISCO MIKUSKI, CLAIMED IN THE NOTICE THAT HIS COMPANY WAS THE FIRST TO AGREE TO THE OFFER. A COPY OF HIS LETTER OF ACCEPTANCE TO THE MINISTER OF MINES AND HYDROCARBONS, DATED OCTOBER 14, WAS PUBLISHED IN THE ADVERTISEMENT. THE ANNOUNCEMENT ALSO CONTAINED THE FOLLOWING STATEMENT:

"IN SPITE OF BEING A FIRM WHOSE CAPITAL, DIRECTORS AND PERSONNEL ARE TOTALLY VENEZUELAN, THE COMPANY HAS NOT BEEN FAVORED WITH PREFERENCIAL TREATMENT; RATHER, WE HAVE BEEN SUBJECT TO CONDITIONS EQUAL TO THE MULTINATIONAL CONCESSIONAIRES."

2. MINES MINISTER VALENTIN HERNANDEZ CONFIRMED TO THE PRESS ON OCTOBER 15 THAT LAS MERCEDES HAD ACCEPTED. ASKED IF OTHER COMPANIES HAD ACCEPTED, THE MINISTER ANSWERED THAT THERE WAS ONE REPLY, BUT DID NOT NAME THE FIRM.

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3. LAS MERCEDES OPERATES A SMALL CONCESSION IN GUARICO  
STATE PRODUCING 2,500B/D. THIS PROPERTY WAS ACQUIRED FROM  
TEXACO AND ULTRAMAR IN MAY 1972. THE NATIONALIZED CON-  
CESSION OF LAS MERCEDES WILL OPERATE UNDER THE GUARIVEN.  
SHLAUDEMAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
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**Concepts:** PETROLEUM, NATIONALIZATION, COMPENSATION  
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**Disposition Comment:**  
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**Review Authority:** buchant0  
**Review Comment:** n/a  
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**Review Event:**  
**Review Exemptions:** n/a  
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**TAGS:** ENRG, VE, S A PETROLERA LAS MERCEDES  
**To:** STATE  
**Type:** TE  
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